



OFFICE OF
INSURANCE COMMISSIONER

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In the Matter of)	No. G 03-18
)	
Aetna Health, Inc.)	SUBSTITUTED
A Domestic Health Maintenance)	FINDINGS, CONCLUSIONS AND
Organization)	ORDER ADOPTING REPORT
AND)	OF
Aetna Health of Washington, Inc.)	MARKET CONDUCT EXAMINATION
A Domestic Health Care Service)	
Contractor)	

On March 31, 2003, the Commissioner entered an order adopting a report of examination in this styled and numbered cause. Subsequent to the entry of that order, the Commissioner learned that Aetna Health, Inc. and Aetna Healthcare of Washington, Inc. had responded to a draft of the examination report, but that the company response had been misdirected and was not available prior to March 31, 2003. The company response identified issues that should have been considered before the adoption of the examination report on March 31, 2003. Those company identified issues have been considered and the examination report appropriately modified.

Therefore, the Findings, Conclusions, and Order Adopting Report of Market Conduct Examination entered in this styled and numbered cause on March 31, 2003, and the Report of Market Conduct Examination as of December 31, 2001, which that order adopted, are hereby withdrawn for all purposes. In the place and stead of said withdrawn order and report, the following order and attached report are now adopted.

BACKGROUND

An examination of the market conduct of **Aetna Health, Inc.** and **Aetna Healthcare of Washington, Inc.** (the Companies) as of December 31, 2001, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Companies hold Washington certificates of authority as a domestic health maintenance organization and a domestic health care service contractor, respectively. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

AETNA HEALTH, INC./AETNA HEALTH OF WASHINGTON, INC.
Order Adopting Market Conduct Examination
March 31, 2003

The examination report with the findings, instructions, and recommendations was transmitted to the Companies for comments on February 19, 2003. The Companies responded to the draft report by letter dated March 6, 2003. The Companies' response to the draft report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and the Companies' response.

Subject to the right of the Companies to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 61 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Aetna Health, Inc.** and **Aetna Health of Washington, Inc.** and to order the Companies to take the actions described in the Instructions section of the report. The Commissioner acknowledges that the Companies may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Companies are ordered as follows, these being the Instructions contained in the examination report on pages 39 and 40.

1. The Companies are ordered to submit copies of any changes to its registration documents to the OIC. (Instruction 1, Page 39)
2. The Companies are ordered to assure that the composition of its Board of Directors allows meaningful representation from its enrolled participants. (Instruction 2, Page 39)
3. The Companies are ordered to facilitate future examinations by providing accurate, meaningful information and timely responses to the examiners. (Instruction 3, Page 39)
4. The Companies are ordered to respond to communications from the OIC within 15 business days of receipt of inquiry. Responses to the OIC shall contain the substantial information requested by the OIC. (Instruction 4, Page 39)
5. The Companies are ordered to ensure that agents and brokers are licensed for the appropriate line of business with the State of Washington prior to allowing them to solicit business or represent the Companies in any way. (Instruction 5, Page 39)
6. The Companies are ordered to ensure that agents are appointed to represent the Companies prior to allowing them to solicit business on behalf of the Companies. (Instruction 6, Page 39)
7. The Companies are ordered to immediately distribute the provider contract amendment to all of its providers so that each contract contains prescribed standards. (Instruction 7, Page 39)
8. The Companies are ordered to immediately implement or withdraw the filed Magellan Behavioral Health contract. (Instruction 8, Page 39)
9. The Companies are ordered to include the prescribed definition for emergency medical condition in each of its provider contracts. (Instruction 9, Page 39)
10. The Companies are ordered to maintain a complete advertising file. (Instruction 10, Page 39)

11. The Companies are ordered to file rates with the OIC prior to use and must implement the filed rates into its computer quoting systems. (Instruction 11, Page 39)
12. The Companies are ordered to amend contract language in future filings to clarify the process in regard to mammograms. (Instruction 12, Page 39)
13. The Companies are ordered to amend contract language in future filings to state that both emergency care and direct access benefits are available even if a PCP is not selected. (Instruction 13, Page 40)
14. The Companies are ordered to amend contract language in future filings to clarify procedures for follow up treatment to emergency care. (Instruction 14, Page 40)
15. The Companies are ordered to amend contract language in future filings to clarify provisions regarding premium payment by the member during a labor dispute. (Instruction 15, Page 40)
16. The Companies are ordered to amend contract language in future filings to clarify provisions concerning continuation of coverage after termination from a group plan. (Instruction 16, Page 40)
17. The Companies are ordered to include hold harmless language in its provider contracts. (Instruction 17, Page 40)
18. The Companies are ordered to file provider contract forms with the OIC prior to use. (Instruction 18, Page 40)

IT IS FURTHER ORDERED THAT, the Companies file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 29th day of April, 2003.

A handwritten signature in black ink, appearing to read "Mike Kreidler", written in a cursive style.

MIKE KREIDLER
Insurance Commissioner